

161.540 Members' contributions -- Picked-up contributions.

- (1) Effective July 1, 1988, each member shall contribute to the retirement system nine and eight hundred fifty-five thousandths percent (9.855%) of annual compensation, except that university faculty members shall contribute eight and three hundred seventy-five thousandths percent (8.375%) of annual compensation. Payments authorized by statute that are made to retiring members for not more than sixty (60) days of unused accrued annual leave shall be considered as part of the member's annual compensation, and shall be used only for the member's final year of active service. The contribution of members shall not exceed these applicable percentages on annual compensation. When a member retires, if it is determined that he has made contributions on a salary in excess of the amount to be included for the purpose of calculating his final average salary, any excess contribution shall be refunded to him in a lump sum at the time of the payment of his first retirement allowance. In the event a member is awarded a court-ordered back salary payment the employer shall deduct and remit the member contribution on the salary payment, plus interest to be paid by the employer, to the retirement system unless otherwise specified by the court order.
- (2) Each public board, institution, or agency listed in KRS 161.220(4) shall, solely for the purpose of compliance with Section 414(h) of the United States Internal Revenue Code, pick up the member contributions required by this section for all compensation earned after August 1, 1982, and the contributions so picked up shall be treated as employer contributions in determining tax treatment under the United States Internal Revenue Code and KRS 141.010(10). The picked-up member contribution shall satisfy all obligations to the retirement system satisfied prior to August 1, 1982, by the member contribution, and the picked-up member contribution shall be in lieu of a member contribution. Each employer shall pay these picked-up member contributions from the same source of funds which is used to pay earnings to the member. The member shall have no option to receive the contributed amounts directly instead of having them paid by the employer to the system. Member contributions picked-up after August 1, 1982, shall be treated for all purposes of KRS 161.220 to 161.714 in the same manner and to the same extent as member contributions made prior to August 1, 1982.

Effective: July 1, 2002

History: Amended 2002 Ky. Acts ch. 275, sec. 16, effective July 1, 2002. -- Amended 1996 Ky. Acts ch. 359, sec. 8, effective July 1, 1996. -- Amended 1994 Ky. Acts ch. 369, sec. 12, effective July 1, 1994; and ch. 469, sec. 35, effective July 15, 1994. -- Amended 1992 Ky. Acts ch. 192, sec. 7, effective July 1, 1992. -- Amended 1990 Ky. Acts ch. 476, Pts. V and VII D, secs. 514, 648, effective April 11, 1990. -- Amended 1988 Ky. Acts ch. 240, sec. 3, effective July 15, 1988; ch. 260, sec. 3, effective July 15, 1988; and ch. 363, sec. 10, effective July 1, 1988. -- Amended 1984 Ky. Acts ch. 253, sec. 15, effective July 1, 1984; and ch. 302, sec. 2, effective July 13, 1984. -- Amended 1982 Ky. Acts ch. 166, sec. 4, effective July 15, 1982; and ch. 326, sec. 7, effective July 1, 1982. -- Amended 1980 Ky. Acts ch. 188, sec. 120, effective July 15, 1980; and ch. 206, sec. 5, effective July 1, 1980. -- Amended 1978 Ky. Acts ch. 152, sec. 8, effective March 28, 1978. -- Amended 1974 Ky. Acts ch. 395, sec. 11, effective July 1, 1974. -- Amended 1970 Ky. Acts ch. 168,

sec. 2. -- Amended 1964 Ky. Acts ch. 43, sec. 11. -- Amended 1960 Ky. Acts ch. 44, sec. 10. -- Amended 1954 Ky. Acts ch. 196, sec. 3. -- Amended 1946 Ky. Acts ch. 111, sec. 3. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 4506b-36.